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PRFACE

Circumstances

SCOTLAND

CONSIDER'D,

With Respect to the present

Scarcity of Money.

Together with some

PROPOSALS

For supplying the Defect thereof,

And rectifying the

Ballance of Trade

Edinburgh, Printed by James Watson in the year 1705.

P R E F A C E.

The Miserable Circumstances of this Kingdom, which are every where discovered in a most deplorable manner, give occasion to the writing this Paper, and may serve as a sufficient Apology for any Person to offer at proposing Remedies, tho never so little to the purpose, if it was only to incite better Spirits to undertake a Work of so great Advantage to the Nation.

Hence I presume my Thoughts on this Subject will no be unacceptable: For as out of much Dust and Rubbish may be extracted Gold; so out of several things confusedly said, something may be pickt out, as may serve to improve the Eancy of any judicious Reader.

But to give this Pamphlet some small Credit, the Reader may be pleased to believe, that I have spent much time on this Subject, and that tho what is said may have the Misfortune not to take ye. I have done my utmost Endeavours to contribute my Bits for our common Interest, with all the Evidence of Reason I was capable of.

My Design being to write a Memorandum rather than a Book, I shall trouble my Peruser with as few Words as possible, tho in a very intricate Subject, that if any thing advanced here be either absurd, or at least not much to the purpose, yet I shall have this singular Advantage of not being tedious, a Qualification which makes a sufficient Attoneement for the weakness of a Discourse.

I shall not be so positive in any Assertion, as in this only, that now is the time to consider seriously the Circumstances of this Kingdom, with relation to our Trade, and scarcity of Money, and to lay aside all Airy Schemes of Government, left like the Dog in the Fable, we catch at the Shadow, and lose the Substance.



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The Circumstances of Scotland consider'd, &c.

Before I proceed to speak of the great decay of the Species of Money in this Kingdom, it may perhaps be as I expected I shou'd give an account of what Sums have passed the Mint of Scotland since the Union of the two Crowns, or at least since the Restoration of K. Charles the 2d. altho' these tho' very considerable, yet bearing no Proportion to the Riches of other Nations, I may be allowed to pass over, and in the mean time, beg my Reader to rest satisfied; that since the New Regulation of our Species, in the Par. 11686, upwards of 2200000 lib. has been Coined in 3 lib. 2 lib. 1 lib. 10 s. and 5 s. Pieces.

Of this great Sum, scarce a Sixth part does remain, which the Universal Scarcity among us does more than sufficiently demonstrat: which if not timeously considered by our Parliament, will reduce us to great Extremities; for when that little Stock of Coin which is yet left, shall be taken from us, we must of Necessity return to our Antient way of Living, by bartering our Goods for the Necessities of Life, and so be rendered much more Miserable and Contemptible than ever we have yet been.

Since the Union of the two Crowns, this Kingdom has still been losing ground with respect to the Riches of other Nations in Europe. In Queen Marys Days we were by far much Richer than now; for that time our Stock of

Money was not so great, yet we had such a Proportionable share of the Riches of *Europe*, as served us to make no Contemptible Figure both at home and abroad. But now, tho' our Stock of Money is considerably augmented, yet we are still poorer; for it is to be remembred, that the Riches of a Nation does not so much consist in the Quantity of Gold and Silver Coin it possesses, as in the proportion it bears to the Universal increase of the Species in the World.

About Ten Years ago our Stock of Money tho' not proportionably so great as of old; yst was it so considerable, as not only served to make us live easy, but also furnished us with an Over-plus sufficient to have carried on a very considerable Trade; but since that time, the greatest part of it is gone, and there remains so small a Sum in this Kingdom, either of our own or Foreign Coin, that a Man may blush to mention in Print.

This great Diminution, in the Species of Money, happened, as I humbly conceive, these following ways.

1^o. By our great Losses upon the Project of *Caledonia*, in Anno 1695, from which time we may date the first remarkable Decay of our Coin, great Sums being then sent abroad, to furnish our *African Company* with Necessaries, for that important Undertaking.

2^o. By the Neglect, or rather the Villainy of our Traders, who after this Kingdom had acquired a considerable Reputation by our Linnen Cloth, course Manufactures and Fisheries, did ruin these considerable Branches of our Trade, by imposing on their Customers Abroad, such gross Cheats, as made our honest Merchants blush to set up their Faces in foreign Mercats. Thus our Goods losing credit, our Trade decayed; yet the Importation of Foreign Materials, for Lux-

xury nothing abating, we were obliged to contract great Debts abroad, and to pay the same with Bullion, or Money: For if (for example) we imported yearly Materials for Luxury, to the Value of 150000 Pound *Sterling*, and exported of the Product of the Nation, not above 200000 Pound; then 'tis plain the National Stock of Money was diminished yearly 50000 Pound *Sterl.* by an overballance in Foreign Trade.

3to. Our Bank, tho a very good thing, yet undoubtedly gave great occasion to the exporting of our Coin; for our Imaginations were so blinded with the Notion of there being great Sums of *Species* in the *Bank*, that we thought the National Stock of Money secure, and satisfied our selves with pieces of Paper, which either were readily exchanged for Species, or circulated among us, upon the Credit of the Managers: In the mean time the Exporters of Money took occasion to send away whatever came to their hands. I do not speak this at all with any Design to discredit the Bank, only am of Opinion, that if their Bills had been kept higher, every man wou'd at least have preserved such a Quantity of the Species by him, as might serve to defray the daily Necessities of his Family; but our 20*lb.* Notes gave no place for that; but on the contrary, took away almost all Use for Money.

4to. The high Value we put upon *English*, and other Foreign Coin above our own, has given great occasion to the Decay of our Species, which I doubt not but to be able to demonstrat to the conviction of every body.

The Standart of Coin in *Scotland* and *England* is much the same, and if there's any difference, ours has it, to the Advantage, being of 11. *Deniers* and 2 *Grains* Fine.

An *English* Crown weighs 15 *Drop*, and 18 *Grains*; and so

is of intrinck Value 5 *lb.* *Sterl.* or 60 *Pence*; the Drop weight, by reason of the Standard not being fully worth a *Groat*.

All *Scots* *Crown*, or 3 *lb.* *Piece*, weighs 14 *Drop*, 18 *Grains*; so is only a Drop lighter than the *English* *Crown*. But I desire any Man to give a Reason, why (these both being of the same Fineness) the one should be 65 *Pence*, and the other but 60. I hope this will not be given for one, that 'tis because some *English* *Crowns* are heavier than others, for our *Scots* *Crowns* vary after the same manner some *Grains*. So I suppose the only Reason is, because 65 *Pence* counts better than 64 or 63, according to our way of counting.

But to make this plainer, put the Case, that a Man brings in to *Scotland* 4 *English* *Crowns*, which weighs 62 *Drop*, and for these, because valued among us to 13 *lb.* *Scots*, therefore he carries off 4 *Crowns* and one 20 *lb.* *Piece*; or which is the same, 6 of our 40 *lb.* *Pieces*, and one 20 *lb.* *Piece*, which weighs 62 *Drop* and 30 *Grains*. Is it not then evident, that the *Scots* *Money* is undervalued to the *English*, almost 2 *per Cent.* The Consequence of which is, that *English* *MERCHANTS* coming to our *Mercats* with their *Money*, can buy our *Goods* two *per Cent.* cheaper than we can do with ours, and, if any *Money* be remitted to *England* to pay *Debts*, or otherways: it must be our own *Species*, which afterwards shall be made more fully appear.

The same Difference is to be observed in *Gold*; for through all *Europe*, a *Piece* of *Gold* is 15 times and an half more worth than a *Piece* of *Siver* of the same weight; but with us it is near 23 to 1, which is very remarkable, with respect to an *English* *Guinea* exchanged in *Scotland* for *English* *Money*. For example, a *Guinea* in *England* goes at one and twenty *Shillings*

lings and Sixpence, which is 4 Crowns one Shilling and Sixpence English; but with us we give 4 lib. 4 ss. Scots, or in English Money, 4 Crowns 1 Shilling and Elevenpence; so that even English Gold bartered with English Silver in Scotland, does not bear a just Proportion: And consequently, that in Scotland, English Gold will buy up more English Silver, than it can do in England and yet more Scots Money than English by 18 Grains.

There is likewise no less Disproportion betwixt our Money, and that which comes from Abroad to us, as from Holland or elsewhere, as will appear more particularly in Ducatoons; for these are coined at 17 Drop of our weight; so are of intrinsick Value 68 Pence, and no more, tho' of the best Standart, yet with us they pass current for 74 pence or 3 lib. 14 ss. Scots. Hence we may observe, they are 14 Pence of greater value than our Crown Pieces, tho' they exceed them only in 2 Drop weight and a half, which is about 10 pence in value.

Why this Disproportion should be, I cannot comprehend; being of Opinion, that 3 lib. 10 ss. Scots is the highest value can be put upon them; but considering, that our own Crowns are at least two pence higher in value than so much Bullion, therefore 3 lib. 10 ss. and 6 d. Scots may be allowed; or because of their fineness 3 lib. 11 ss. for the difference comes precisely to this point, if 15 Drop 18 Grains give 60 Pence, what must be allowed for 17 Drop of the same fineness?

The same difference in some measure may be observed in Foreign Crown Pieces, for tho' they vary little from our Crowns in weight, yet are of a baser Standart, as are likewise all the German Dollars, so our Money being several Grains finner, is consequently of more intrinsick worth.

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From what I have said it will appear, that if any Money be Exported, it must be our own; for since all Species of Coin pass abroad only as Bullion, without any regard to the denomination it has at home, save only to its weight and fineness, then it follows, that if the Exporter can purchase a greater weight of Scot's Silver Money at an easier Rate, than Foreign Coin, as I have already shewn, then off goes our own Species, and little or nothing can remain among us but the high valued Money. And when our own is all gone, that must go too, as shall afterwards be made appear by the circumstances of our Trade.

I hope no body will Object, that this cannot be the reason of Exporting of our Coin, since rather than buy up our Species to pay Foreign Debts, it were better to buy up Bullion, which we may have cheaper: For example, 14 Drop and 18 Grains in Bullion at an easier Rate than a Crown piece which is of that weight. I grant all this, but where's the Bullion unless we melt down our Coin, which will not alter the case; for whether our Species be melted down or not, it passes in Foreign Trade only as Bullion.

Thus I hope I have made it evident, that the Disproportionable value betwixt our own and Foreign Money, not only may be, but actually is a great reason for the decay of our Species.

5. The Fifth Reason I give for the decay of our Coin, is the Ambitious Inclinations we have to be served in Plate, which at this time is so much in Fashion among us, that every body is ashamed to want it, cost what it will: And that this has diminished our Stock of Money, I appeal to the Gold-Smiths in Edinburgh, who daily melt down the Species of both Gold and Silver, to serve their want of Bullion.

I acknowledge, that in a Kingdom where there's a greater Stock of Money, than is sufficient to carry on their Trade and defray the expense of living, the Over-plus may be employed on Plate, but I'm sure no body will say that *Scotland* is in these Circumstances; for many persons here, are melting down the Coin for the better serving their vain purposes, whilst others far more deserving want it for the Necessities of their Families.

I might add, that the late Calamitous Times of War and Famine, have been likewise the occasion of the decay of our Species; for tho' no Money was taken out of this Kingdom to support the War, yet we loosed considerably by the taking of our Shiping, and likewise suffered much by Importing Victual to supply the Scarcity which was then among us.

Perhaps some will add another Reason, *viz.* That the Circumstances of the Government required large allowances of Money to be carried to *London*; but as for this, I'll assure my Reader, there's no manner of ground, because we have hitherto gained in the Ballance of Trade with *England*, and had considerably more from that Kingdom then was spent there.

Having given the reasons for the great decay we see in our Species, I proceed now to show by what means our Stock of Money may be both increased and continued to us; but before I speak to this in particular, I shall touch a little at the Opinions of some who think that the debasing of the Standard of Coin, or the raising it in value, are the only means both to increase and continue the Stock of Money in a Nation who labour under the want of it.

The debasing of Coin is the mixing of Gold or Silver with a greater measure of baser Mettals, than is necessary for their Impression or Duration: This Mean, some think ought to

be used as the most effectual way to increase Coinage, and supply the defect of Money; because say they, if Merchants who Export Bullion of Eleven Deniers Fine, can have the advantage of reducing the same by a mixture of Allay to 9 or 10 Deniers, then will they gain at the Mint a Profit of 10, 20 or 30 per Cent. according to the debased Standard established by Authority, which will yield great Encouragement to the Importation of Bullion, and likewise be a mean to hinder the Export of Money, since no Nation will use it.

The raising the value of Coin, is the attributing a greater intrinsic worth to a piece of Money, than is generally agreed to by the World; for example, by altering the Denomination, and calling that a 3 lib. Piece, which formerly passed only for a 40 pence; or which is much the same, by Coining 3 lib. pieces and other Species of Money 5, 10, 15 or 20 per Cent. lighter than ordinary, and this some people think an Expedient to increase Coinage and keep the Money amongst us, because of the great Encouragement at the Mint for Importers of Bullion, and the Discouragement Merchants ly under to carry it beyond Seas.

As to the First, of debasing the Standard of Money, I humbly contend, such an Expedient can never signify any thing to the increase of our National Stock of Riches for these Reasons.

1mo. Foreigners will Coin Money of the same base Standard and Impression with ours; and carry off our Goods with great Advantage to them and Loss to us, which Experience has confirm'd in all Countries, where either Money was over-valued, or the Standard debased, which shall afterwards be more fully explained,

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The practice of the *Hollanders* I know goes a great length to enforce the debasing of Money, upon those who do not understand the nature of their Coinage; for tho their Money be debased, yet it is only valued according to the Silver that is in it, or at most 5 *per Cent.* of difference, and they give near a Triple weight of their Money for ours, their main design being only for preserving that sort of course Coin among themselves to defray the necessities of living, in case that some Misfortunate Accidents should befall their Republick which might occasion the Export of their Money: Yet if the Ballance of their Trade were upon the side of those who Traffick with them, all their Allayed Money wou'd go out of their Country, as well as their Bank Dollars, as shall afterwards be shwon.

2d. The Debasing of Money gives great occasion to false Coinage which cannot be discovered but with much pains: For instance, if our Standard were debased to 9 Deniers fine, how cou'd it be known, but with great Difficulty? If either our selves or Forreigners should Coin Money of our Impression of 8 Deniers, by which Trick they would Cheat us in near 10 of the Hundred.

3d. If Allayed Money under the true Standard should be allowed among us, we behoved necessarily to do one of two, either to put a very high value upon Foreign Money, or make our debased Money valuable only, according to the weight of good Silver that is in it.

To demonstrate the necessity of the first Alternative, I put the Case, that a Piece of Allayed Money of the bigness of a Crown, should pass for such, and yet contain no more Silver in it than is now in a 40 pence: 'Tis obvious, that it wou'd never be bartered against a Forreign Crown piece, because of its having a third part less Silver in it: There-

for of necessity to preserve the due proportion, with respect to the intrinsick value of our Allayed Crown piece, we must allow the Forreign Crown a third part more of value; so that it may go at 4 lib. 10^{ss.} of our Allayed Money; the consequence of all which will be, that we shall buy no more with 4 lib. 10^{ss.} than now we can do with three: And that there must of necessity be an equality betwixt Forreign good Money, and this base Money, with respect to the intrinsick value, is plain; for no Man in his right Wits, will part with 15 Drop of good Silver for 10, but will rather take it to the Mint, where he can gain a Third, by having it Coined in Allayed Money.

As to the other Alternative I spoke of: If we Coin our debased Money to go Current only, according to the value of good Silver in it, then there's neither incouragement to the Coinage or Importation, nor yet any impediment to the Exportation, if the Ballance of Trade run against us.

40. If debasing of the Standart were a mean to Enrich a Nation, why may not Money be Coined of one Denier fine or less? For example, why may not a piece of Allayed Money be Coined to pass for a Crown, which may contain not above one Drop weight of Silver? For the same Argument will hold good for this, as for a finer Standart? That this cannot do, shall be shounen hereafter, since it is only the valuing a Drop weight of Silver at that Rate which we value now 14 Drop and a half.

What I have said against the Debasing of our Money will hold good, against Over-valuing it or Raising it above the Estimate, which the Trading World puts upon it; but in this I shall be a little more particular, because the strength of the former Reasoning depends intirely upon what shall be now advanced, the debasing of Money and the raising thereof being upon the matter the same.

I then humbly conceive, that the raising the value of our Money above that of other Nations ; at least the continuation of an high Estimate upon it, will be very prejudicial to us for these Reasons,

1mo. Forreigners will pouer in this sort of high valued Money amongst us ; which I'm of Opinion has been very prejudicial to those who have tryed it ; and particularly, we have a late instance in the Clipt *English* Money, which past Current at the value it was Coined for, tho the intrinsick worth was extreamly diminished ; so likewise their Guineas when raised to 30 Shillings, did considerably prejudge them, for tho' they acquired great store of Gold, yet were they obliged to bring their price down again, to prevent the Ruine of their Trade.

2do. The raising of Money puts a Cheat upon the Kingdom, and no body is a gainer by it but *Bankers* and *Moneyed Men*, and these neither, but at that time the Money is cried up, for being well provided with Cash, they gain considerably by giving it out at the high value, but when they come to receive it back again, they must even take it at the Current Rate.

That no body can gain by raising the value of Money but *Bankers* and *Moneyed Men*, who either have Money to lend or Money to pay, will appear very plainly : For put the Case, that *A*. had lent to *B*. a Hundred Crown Pieces or 300 Pound *Scots*, before the raising of Money, which extends to 7 Pounds 6 Ounces, or 1450 Drop weight of Silver : And suppose that afterwards a Crown piece should be raised to 3 lib. 10 ss. *Scots*; then 'tis evident *B* may pay his Debt for ten pence down of 86 Crowns, by which means *A* loses 12 Ounces and 6 Drop weight of Silver.

But some will say, what does *A.* suffer, since these 86 Crown-pieces will go off his Hand at the same Rate, for 300*lib. Scots.* I answer, *A.* is a Merchant or Bankier, and has Bills to pay, or Money to remit Abroad, or designs to Travel, in which Cases, since all Money pass abroad only for Bullion, it is plain that the Loss is very considerable, being very near a seventh Part of his Stock.

The same will hold in Farms, and yet with no Advantage at all to the Master, and as little to the Farmer, unless he be provided in Cash at the raising the Money; for otherways the Poor Tenant will gain nothing, since he must sell the Product of his Farm for a less weight of Silver than he used to receive.

3*to.* the raising the Value of Money will raise the Price of Goods; so that the general Estimat which the trading World puts upon Money, with respect to its weight and Standart, will be more considered by us, than any overrated Value put upon it by Authority: For this general Estimat must always be the Rule among all Nations, who have any intercourse, or Commerce with their Neighbours.

'Tis not denied by our judicious Country-man Mr. *H.* that the raising the Value of Money will raise the Price of Goods, but he ascribes it to the great Plenty of Money, which the raising its Value will produce; and consequently, that the raising the Value of Money is not the immediat Cause of the Rise in the Price of Goods.

I acknowledge indeed, great Plenty of Money in *Europe*, wou'd raise the Price of its Commodities; for Experience has sufficiently proven this; but I cannot see that great Plenty of it in any one Kingdom, will much raise the price of Goods, at least such as serve to be exported; for instance, in *England*, when there was the greatest plenty of Money, yet

yet at that time Cloth and other Goods, yea, Meat and Drink were as cheap as in *Scotland*; wherefore I shall show that the raising of Money, is the immediat cause of the rise in the Price of Goods, and by consequence that the great design of raising Money will fall, contrary to Mr. *H.* Opinion who thinks when a Kingdom raises its Coin; for example, to 10 *per Cent.* above the ordinary value, it is the same as to Proclaim to the World their Resolutions to sell their Goods 10 *per Cent.* cheaper than ordinary; which will induce Foreigners to carry off a vast Quantity of them, and to occasion a very considerable Trade.

To prove then, that raising the value of Money, is the immediate cause of the rise in the price of Goods: I put the Case, that *A.* brings 100 Ells of Course Linnen to sell in any of our Mercats; for which, before the raising of the value of Money, he cou'd have expected to receive as much Silver Coin as wou'd have come to 400 Drop weight. But the Money being raised 10 *per Cent.* *B.* offers for the Linnen I suppose the old Mercat Price, but pays it in no more Silver than comes to 360 Drop; in this case, it cannot be well thought that *A.* will accept of that Price, but will rather choose to send his Linnen beyond Seas, where he will not only get his old price in so much good Silver as comes to 400 Drop weight, but he will gain at least 20 *per Cent.* and so make in all 480 Drop. This if he return in Goods, he sells them in *Scotland* with advantage still, and if he return his 440 Drop weight, in Bullion, then he carries it to the Mint, where he makes a gain of 10 *per Cent.* in having it Coined in our over-valued Money.

Perhaps it will be Replyed, That still the raising of Money will have this advantage, to force a greater Export and to make large Returns in Bullion. I Answer that may be true

true or not to no purpose, for still it follows, that the price of Goods must rise, or which is the same, must continue at the old Mercat price with respect to the Quantity of Silver for which they are bartered; the consequence of all which may be, that if for example, all sorts of Necessaries for Living and other Goods should rise to double their former value, then wou'd we be no Richer with 400000 lib. Sterl. than now we are with 200000 lib. Sterl.

I shall suppose likewise, that our Government wou'd try the Experiment to Coin Crown pieces 2 parts of three lighter than ordinary, or which is the same, with 2 thirds of more Allay than is used at this time: Wou'd not that Merchant be a mad Man, to give an Ell of Cloth for 4 of such Crown pieces, for which he used to get 4 Crowns of the best and weightiest Silver? But if any body say that this wou'd be too gross an abuse; I answer by the same Rules of Justice or Policy, a Government can diminish a Crown piece one tenth of its ordinary weight, so it may diminish or debase the same piece of Money 2 parts of 3, with this difference only, that the one is a great fault and the other a lesser.

4to. The raising of Money, raises the price of the proper Commodity of the King of Spain, and by consequence, Enriches him to enslave us.

This was avery old Argument against the raising of Money, but Mr. H. pretends to answer it, by telling us, that if Money were raised every where it wou'd have the quite contrary effect, and do the greatest prejudice that cou'd befall the King of Spain his Money Trade, seing (says he) all Nations wou'd that way be able to serve their occasions with so much less Money as they raised the value.

If this Answer be satisfying, then I confess there's more in it than I can comprehend; for suppose that a double value should

should be put upon Money, then one Stone weight of Spanish Silver Coined in Ducatoons, will go as far as formerly two, the natural consequence of which is, that Spain will procure all the Forreign Commodities it wants for the half of that Money which now must be given, so the other half will remain either to circulate in that poor Kingdom, or to be hoarded up by its Kings for some Exigency in their State, and perhaps to enslave the rest of Europe, which will be yet plainer in the case of a Private Man, who if he can maintain his Family as well for 500 lib. Scors as he cou'd do formerly for 1000, or defray his necessary Charges as well for 2500 Drop of Silver, as he cou'd do formerly for 5000, then that Man must lay up Money and turn Rich, since he is in a condition to save the half of his Annual incomes.

From all which, Reason seems to suggest, that the greater value is put upon Silver; Spain must be the Richer, and the less value that is put upon it, Spain must be the poorer. For Example, if Silver by reason of its abundance should fall so low in esteem, as that Earthings wou'd be Coined of that Metal of the same bigness and weight which now English Shillings are Coined at, then in my humble Opinion, the Riches of Mexico and Peru, wou'd signify no more to Spain, than the Mines of Copper and Iron to Sweden and Denmark.

570. The raising of Money in a Nation puts a Cheat upon all possessors of the same, when ever it shall happen to be loured, by depriving them of such a part of their Stock proportionable to that value Money is brought down to, whether a 3d, 5th or 10th. of what it passed for formerly: As put the Case, that a younger Brother's Portion of 15000 lib. shall be payed before the Money be cryed down one Third, is it not then evident, that he looses 5000 lib. of his Stock,

and this without any Law or Reason, Men having received it upon the publick faith, to be continued at the same Rate; so that in short all who have Sums by them in overvalued Money, ly intirely at the Mercy of the Government, who may Ruine them in a most arbitrary manner.

To these Reasons against the debasing the Standard of Money, or raising it in value, many more might be added, yet if what is said be fully considered, I hope it will evidently appear, that great disadvantages may accrue to a Kingdom by such Conceits. But I shall further shew, that they are of no great importance for discouraging the Exportation of Money as Mr. H. stiffly contends for, because says he, the raising of the value of Money lays a loss or fine upon Exportation of it, for Importation of Commodities.

I cannot deny but this may hold in some measure, yet the most part of people are so bent on Foreign Commodities that they will have them, cost what they will; and I need go no further to seek an instance than amongst our selves. For suppose Money were cryed up a Third part, so that a Merchant who wou'd Import Wine from France, must buy up Silver a Third part dearer than formerly, yet this can never be any discouragement for him to carry off Bullion, since he may be assuted to get such a Price for his Wine when Imported, as will sufficiently reimburse him of his Losses; and I suppose the same will hold good with respect to the greatest part of all other Foreign Commodities, so that there will never be much discouragement to a Money Trade, so long as there's a farthing in the Kingdom.

The same I have said of over-valued Money will likewise stand good, with respect to that which is debased, tho' the Expence of melting it down and separating the Allay will be very considerable, and so must it always be, as long as the

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ballance of Trade runs against us; for let us suppose that the debasing of Money or raising its value should encourage the Importation of Bullion and advance Coinage, yet so long as the Ballance of Trade lyes upon the side of Foreigners, the Money that is Coined cannot stay amongst us, but away it must go again to pay Debts, which is our present Case.

For instance, if our Merchants having to do with *Dutch* Goods to the value of 300000 Gilders, should Export of the product of this Kingdom, what if sold in *Holland* wou'd amount only to 200000 Gilders, then 'tis evident that the Export not answering the value of the Import, our Merchants will be indebted to the *Dutch* in 100000 Gilders, to pay which they will either send Money or Bills: Now I suppose, that *A*. Banker in *Edinburgh* gives a Bill of 100000 Gilders to the foresaid Merchants, payable by his Correspondent *B*, in *Amsterdam*, whereupon *B* having payed the Money to those Merchants in *Holland* from whom ours bought their Goods, then is their Debt extinguished, but what way does *A* take to pay *B* when they make up their Accompts? Why, one of two, either *A* sends Bullion or Money to *B*, or sends him a Bill upon his Correspondent *D*, Merchant in *London* and payable there; if *D* pay *B* in *London*, then are *A* and *B* satisfied as to their mutual claims: But what way does *A* pay *D*? By Money certainly or Bullion; for all along I suppose, that the product of *Scotland* will not answer the full satisfying of its Debts both in *England* and *Holland*.

Now if *A* be to remit Money to *B*, when all the Money in *Scotland* is either debased or raised in value; then he must melt it down and separate the Allay, or if the Money be raised, then he must buy it up as Bullion, and all this at a very dear Rate, that will *A* be no loser by this Expense. Not at all, because he took care to lay all the cost and charge

ges upon the Exchange for the 100000 which he furnished our Merchants with, having made them pay 30 or 40 per Cent. for their Bills: Wherefore I hope it is plain, that if the Ballance of Trade stand against us, we must melt down all our Allayed Money, or send off that which is overvalued to satisfy our Debts, even tho' there was not a Drop weight of Silver in a Crown piece. And if Holland, as I said before, was in the same lamentable circumstances with respect to the Balance of Trade, then it wou'd soon be seen, that their debased Coin wou'd go out, as well as that of their Bank of a better Standart.

Having now shown sufficiently, that the debasing of the Standart of Money, or the raising it above the ordinary value, can never increase the Riches of a Nation, I shall now consider, if at no time this can be done.

No Legislative power can with any shadow of justice frame Laws to take away Mens Properties, unless upon some extraordinary Emergency for the common good; for which reasons the debasing of Money, but particularly the raising it above the ordinary value, ought never to be done, unless in these two following Cases. When a Kingdom is straitned for want of Money, and at the same time with Wars and Famine, for such a publick Calamity wou'd require such a desperate Remedy, to save the Ruin of a Nation, and oblige every Man to Sacrifice his Ease and Interest for the benefit of the Commonwealth.

In the case likewise of hoarding Money, the raising its Value, may be practised for a short Time, to bring out all that is hoarded up, and make the Circulation quick, whereby the distribution of the Species may fall to be the more equal, and so far I agree with Mr. H. and believes he designed no more, tho' the most of his Arguments tend to prove, that nothing

nothing cou'd be more beneficial for advancing Trade, and increasing the Riches of a Nation, than the raising the Value of Money.

What I have said against raising the Value of Money, or debasing the Standard, leads me in to consider another expedient proposed by some, for increasing the same, that is to oblige our Merchants, (according to the old Custom) to convert a part of their Import into Bullion to be brought home, and coined in our Mint, for the Use of the Kingdom ; and consequently, that the Act of Parliament 1686, is prejudicial to Coinage, since in lieu of Bullion, which used formerly to be paid. Now Money is exacted, which serves only to keep up the Mint, and defray the Charges of a free Coinage.

This Expedient, tho it looks well enough at first sight, and serves to carry along with it a great deal of Reason ; yet if narrowly considered, it will prove a meer Fallacy : For,

1^{mo}. We do the Equivalent, by bringing home considerable Sums of Foreign Species, which is preferable to Bullion ; for if Bullion were brought home, it wou'd be coined into Crowns, and 40 $\$$. Pieces, which by reason of the Disproportion that has been shown between their Value and Foreign Species : therefore they must go out to pay Debts, whereas Foreign Money does remain among us.

2^{do}. Tho our Merchants should be obliged to convert a part of their Export or Import into Bullion, yet that cannot encrease the National Stock of Money, since it is not an effectual way to hinder the contracting of Foreign Debts. For example, if A. Merchant in Edinburgh should carry over to Holland of our Fish and Manufactures, to the Value of 30000 lib. Scots, what should hinder him to bring home 7 or 8 Stone weight of Bullion, and at the same time a Cargo of Dutch Goods, to the Value of 80000 lib. bought from

B. Merchant there, whereby it happens that A. is indebted to B. in 30 or 40000 lib. Now, to go on with the Example, A. brings his Bullion to the Mint, where I shall suppose it coined in 40 lib. Pieces; but because he is considerably indebted to B. therefore he must send all his new coined Money over to *Holland*, to satisfie a part of his Debts, by which means the Nation gains nothing, and the Mint labours in vain.

Thus it will appear, that the forcing the importation of Money or Bullion by a Law, cannot be the way to enrich a Nation, and consequently that the Act of Parliament 1686 is not prejudicial to us, but on the contrary very advantageous, since it regulates the species of our Money, and lays a Fond for a free Coinage.

But to all this it will perhaps be answered, that the forcing the importation of Bullion, cannot but be very profitable to this Nation, providing our Laws against exporting of Money were strictly put in Execution.

I grant this upon a Supposition, that Money or Bullion is brought in, and never again exported; but all the Acts of Parliament we can make, fortified with the greatest Penalties, and executed with the greatest Severity, can never hinder the export of Money, when a Disadvantagious Trade obliges us to contract Foreign Debts; and we have an Instance hereof in *Spain* and *Portugal*, where it is Death to export any, tho' no Kingdoms in Europe export so much.

I acknowledge that much may be done upon our Coasts to hinder the Export of our Money; but our Neighbourhood with *England*, renders this impracticable by Land, unless we put our selves to the Expense of baracading our Borders.

At the same time it has no less to do with the carrying of Money from *Spain* to *England* than 80000 to 100000 Pounds.

If this be granted, then it will be obvious how little to the Purpose our Acts of Parliament are against the export of Money; for tho' they are wisely enough calculated for discouraging such an Export, yet they can be noways effectual to hinder it; for all our *Dutch*, *French*, and other Foreign Debts can be very well transacted at *London*, without ever carrying one Farthing over Seas, and by the same Methods of sending out our Coin, when the Product of *Scotland* will either not answer its Debts, or shall not be taken off our hands.

These fruitless ways of enriching our Nation, being laid aside, I lay down this Maxim, That nothing but such a Regulation in our Commerce with other Nations as will make us Gainers in the Ballance of Trade, can either bring us in Wealth, or keep it among us.

This Regulation of the *Ballance of our Trade* will be found a Matter full of Difficulties, if regard be only had to the increasing our Export, that it may ballance the importation of all these Foreign Commodities, which at present we make use of; but if that be laid aside, then this Regulation will be very easily accomplished, viz. by looping off such Branches of our Trade, which either are prejudicial to this Nation, or discouraging to its Manufactures, and establishing under the severest Penalties, such sumptuary Laws, as may force us to frugality; for herein we must imitate the example of privat Men, who when they design to thrive, tho' upon small Incomes, they are sure to cut off all the unnecessary Expense of their Families.

This was so well understood by the Ancients, that they never failed to enact such Laws as put them under a Necessity of being frugal; for they knew very well that it was a much easier thing to force an idle and prodigal Man to live so.

soberly, than oblige him to turn a skilful Merchant, which requires a genius directly opposite to such Qualifications.

Upon which account I see no reason for continuing the Importation of *French Wines*, nor yet of any other Foreign Wines, except in barter for our own Commodities; and considering our present Circumstances with *England*, it wou'd be for the Honour and Interest of this Country, to declare against the importation of *English Tobacco, Sugar, Coaches, Horses and Household Furniture*, as also all sorts of *Irish Goods, &c.* to ballance the Prohibition of our black Cattle and Linen Cloath.

We ought likewise to discharge the Importation of all sorts of Indian Luxury, and of Foreign Linnen, as particularly *Holland, Cambrick and Calico's*, and in short to renew that Excellent Law, *Act 12. Char. 2. Par. 3.* entitled *Act for inco-raging Trade and Manufactures*. All which will tend very much to the improving our Lands, encreasing our People, supporting our Tenents, establishing our Manufactories, and encouraging our Trade-men; whereby thousands will find a handfom Maintenance at home, who otherways must be scattered thorow the whole Earth to earn their Bread.

I know very well, that at any other time, Trade might suffer extreamly, by being bounded within such narrow Limits: But this being a critical juncture, I humbly conceive, that it wou'd tend to the Advantage of this Nation, that our Trade were set upon such a foot, tho (I'm sorry) it will undoubtedly prove very hurtful to some privat Persons, who have hitherto lived by such Employments.

But because it will take a considerable time before we reap any Advantage by a Regulation of the Ballance of Trade, so as to supply the present Scarcity of Money: Therefore I humbly propose,

imo. That

imo. That all our Money should be raised 5 per Cent. above the intrinsick value, and that all due regard be had to the proportion betwixt our own and Foreign Coines, with respect to their weight and Standart. But this I do not design as an expedient to increase the Tall of Money; for considering the small quantity of Money that is among us, 20, 30 or 40 per Cent. wou'd not do the turn; and besides such an extravagant height in its value, wou'd speedily ruine us: Neither do I propose it as a Remedy for our Poverty, for the price of Goods will rise with the Money, as has been already Experienced by our Fore-fathers, and represented by them to the King and Parliament, as appears by the 24th, *Act Par. 4. James 3.* where the Narrative tells us, *That the Penny-worths were risen with the Penny;* and consequently, that the raising of their Money at that time, did not much enrich them: Wherefore all the advantage proposed by raising our Money 5 per Cent. is only to quicken the Circulation, and bring out hoarded Cash; for tho there's certainly a vast decay in our Species, yet I do not doubt, but there's more Money in this Kingdom, than there appears to be: Yet this being a desperat remedy, must be continued only for a short time, and thereafter lowered by degrees.

2d. That all due Encouragement be given at the Mint for the inbringing and coining of Plate, as the Estates of Parliament in their Wisdom shall judge convenient.

3rd Let Credit be advanced, which will furnish us with a valuable measure for Trade, and an equivalent of Money sufficient to Negotiat all our other Affairs, without sustaining the least loss or prejudice thereby.

This may be done either by re-establishing the Bank of Scotland upon a better foundation than formerly, or by a National Bank to be managed by such as the Estates of Par-

liament shall appoint, whether of their own Number or not; and these (I propose) should be Elected by Balloting; for avoiding the Suspicion and Jealousie which the Nation may have, that the Managers were chosen by Parties and Friendship, or as they stood affected to this or that new model of Government, for every body will dread a power above them, and the Nation will never be satisfied to intrust their Estates and Securities in the hands of such who may fall under the influence of a bad Government, which we can never secure our selves too much against.

I shall not offer any draught for a Constitution of such a *National Bank*, since that is to be done by others, who perhaps will give full satisfaction to the Estates of Parliament, when they shall agree to have any such Overtures brought in before them: And I know very well that Projects have succeeded so ill amongst us, that the very Name of a New Contrivance, palls our Appetites, and bears in an Impression of some Rediculous Overture; so that a Man runs the risque of forfaulting his pretences to common sense, if he but seem to relish any New Project, tho never so well digested; but because such whims possess those only who do not love to put themselves to the trouble of thinking; Therefore I'll hazard to advance the following Thoughts, soon I shall be out of the

That more Trade is carried on by Credit than by Money.

That Paper Credit is equivalent to Gold and Silver in all payments, if founded upon good Security. other Day out

That Bank Bills or Talleys established upon such a Security, will answer all the Ends and Uses of Money in a Kingdom, tho they cannot be converted into Gold or Silver; an evident proof whereof we have had in our Bank Notes that went current among us these five Months bygone; for tho they cou'd not be exchanged as formerly, yet they passed in all Payments upon the Credit of their Security. That

That the Banks of ~~Amsterdam~~, ~~Venice~~ and ~~Genoa~~, and these in ~~England~~ and ~~France~~, do afford a Paper Credit of Europe, exceeding five hundred Millions of Crowns, and all this (as some think,) upon an imaginary Bottom, at least not so very sufficient as is pretended.

That the great Design of a Bank, is to be a Fond of Credit for a greater Sum of Money, than its Managers and Partners have in Custody, and very frequently for a greater Sum than a whole Kingdom or Republick can raise in Gold or Silver Coin.

That the calling in of Bills, or cancelling of Bills, is upon the Matter the same, and is easier for the Debtors, and more practicable by a Bank, that it be done in a fixed Term of Years, according to *D. H. C.*'s Overture, than left to the Will, Discretion, and Mercy of the Managers, or called in upon a sudden, as has been done by the Bank of *Scotland*.

That Bills issued out upon Land Security, are as preferable to others, as a Real Security is preferable to a Personal.

That a great Stock of such Bills or Talleys will do no greater Prejudice to Monied Men, Widows and Orphans, than so much Money in Gold or Silver.

That ~~200000~~, or ~~300000~~ lib. Sterl. may be issued out in Talleys, and sufficiently secured in *Scotland* upon Land, beyond all Exception, by paying of Debts, and so taking Dispositions to free Estates, for security of such Sums as shall be borrowed.

That there will be no need for forcing the currency of such Bills or Talleys by an Act of Parliament, for if there be as well secured as the Bills for 50000 lib. Sterl. lent out by the Bank of *Scotland*, then they will go current in like manner, upon the Credit of their Security.

That

That Bills of Credit secured as aforesaid, are the same as if Heritable Bonds were transferred, and disposed from one to another.

That at the issuing out of these Bills of Credit, there's no necessity upon the Managers to lend them by any equal Distribution amongst landed Men: For tho' one Man should be able to give sufficient security for all the Talleys; yet by a natural Circulation, the whole Kingdom must reap the Benefit.

All these things I submit to the Thoughts of every judicious Reader who (I hope) will impartially consider them, and shall close this Discourse, begging pardon for enlarging a little beyond my first Intention.

F I N I S.



E R R A T A.

Page 7. line 25. for 15 Drop, read 14 Drop. Page 20. 1.

2. read 100000 Gilders.

